



(Constituted in the Republic of Singapore
Pursuant to a trust deed dated 9 October 2002 (as amended))

ACQUISITION OF THE KENDALL FOR S\$112.0 MILLION

1. INTRODUCTION

1.1 The Acquisition

Ascendas Funds Management (S) Limited, the manager (the "**Manager**") of Ascendas Real Estate Investment Trust ("**A-REIT**"), has acquired the property, The Kendall, located at 50 Science Park Road Singapore 117406 (the "**Property**"), for a purchase consideration ("**Purchase Consideration**") of S\$112.0 million (the "**Acquisition**"). The Property is owned by Singapore Science Park Ltd ("**SSPL**" or the "**Vendor**"), a wholly-owned subsidiary of the Sponsor of A-REIT, Ascendas Group¹.

In connection with the Acquisition, HSBC Institutional Trust Services (Singapore) Limited, as trustee (the "**Trustee**") of A-REIT, has entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with the Vendor on 30 March 2015 on the principal terms set out in paragraph 3 below.

1.2 Disclosure Requirements under the Listing Manual and the Property Funds Appendix: Interested Person and Interested Party

The Vendor is a wholly-owned subsidiary of Ascendas Land (Singapore) Pte Ltd ("**ALS**"), which in turn is a wholly-owned subsidiary of Ascendas Pte Ltd ("**APL**"). APL is a wholly-owned subsidiary of JTC Corporation ("**JTC**").

As at the date of this announcement, ALS holds an aggregate direct interest of 367,904,000 units in A-REIT ("**Units**"), which is equivalent to approximately 15.3 per cent of the total number of Units currently in issue. In addition, APL holds 100.0% of the Manager. ALS is therefore regarded as a "controlling unitholder" of A-REIT and an associate of a "controlling shareholder" of the Manager under both the the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") and Appendix 6 (Property Funds) of the Code on Collective Investment Scheme (the "**Property Funds Appendix**") issued by the Monetary Authority of Singapore.

As a wholly-owned subsidiary of the controlling unitholder of A-REIT and an associate of a "controlling shareholder" of the Manager, the Vendor is regarded as an "interested person" of A-REIT for the purposes of Chapter 9 under the Listing Manual of the SGX-ST and an "interested party" of A-REIT for the purposes of the Property Funds Appendix.

Under Chapter 9 of the Listing Manual of the SGX-ST, where A-REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same person during the same financial year) is equal to or exceeds 3.0% of A-REIT's latest audited net tangible assets ("**NTA**"), A-REIT must make an immediate announcement.

¹ Ascendas Pte Ltd and its subsidiaries.

As at 28 February 2015, the total value of interested person transactions (including the Acquisition) between A-REIT and APL and/or its associates (including JTC), for the current financial year, is approximately S\$135.5 million (about 2.79% of NTA).

2. INFORMATION ON THE PROPERTY

2.1 The Property

Located within Singapore Science Park II, one of the two designated Science Parks in Singapore, the Property is easily accessible via Pasir Panjang Road and the nearby Haw Par Villa Circle Line Station.

The Property is a 6-storey multi-tenanted science park building sited on a land area of 10,095 sqm. It has a gross floor area and net lettable area of 20,190 sqm and 16,824 sqm respectively and has current occupancy rate of approximately 93.2%.

A-REIT has acquired a leasehold interest in the Property commencing from 30 March 2015 and expiring on 24 March 2079.

2.2 Property Value

Pursuant to paragraph 5.1(c) of the Property Fund Appendix, two independent valuations, with one of the valuers commissioned by the Trustee, were carried out. The Property was valued at S\$116.4 million and S\$115.0 million by CB Richard Ellis (Pte) Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd respectively.

Under paragraph 5.1(d) of the Property Fund Appendix, the purchase price is not to be higher than the two assessed values. The purchase price of the Property is S\$112.0 million.

3. PRINCIPAL TERMS OF THE ACQUISITION

3.1 The Sale and Purchase Agreement

On 30 March 2015, the Trustee entered into the Sale and Purchase Agreement with SSPL to acquire the property for S\$112.0 million.

The principal terms of the Sale and Purchase Agreement which have been agreed, include, amongst others, the following:

- (a) A-REIT obtaining the results on due diligence of the Property (including legal and building due diligence) which must be reasonably satisfactory to A-REIT;
- (b) A-REIT receiving replies to legal requisitions which must be reasonably satisfactory to A-REIT;

3.2 Estimated total cost of the Acquisition

The estimated total acquisition cost of the Property (the "**Total Acquisition Cost**") is approximately S\$113.7 million, comprising:

- (a) the Purchase Consideration of S\$112.0 million;
- (b) the Acquisition Fee ("**Acquisition Fee**") payable to the Manager, being 1.0% of the Purchase Consideration, which amounts to approximately S\$1.1 million; and

- (c) the estimated professional and other fees and expenses incurred by A-REIT in connection with the Acquisition which amount to approximately S\$0.6 million.

As the Acquisition constitutes an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee payable to the Manager will be in the form of Units, which shall not be sold within one year from the date of issuance.

4. RATIONALE OF THE ACQUISITION

4.1 The Acquisition is in line with A-REIT's investment strategy

The Manager aims to achieve growth in distributable income and to enhance the value of A-REIT's property portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the Manager's investment criteria. The Acquisition is in line with the investment strategy of the Manager as the Property will be accretive to A-REIT's distributable income.

4.2 Increase distributable income to Unitholders

Based on the Total Acquisition Cost, the Property is expected to generate a net property yield of approximately 6.8% in the first year. The pro forma financial effects of the Acquisition on the distribution per Unit on an annualised basis for FY13/14 would be an additional 0.063 cents per Unit².

4.3 Enhancement of A-REIT's portfolio

The Acquisition will complement and enhance A-REIT's foothold in the science parks segment within the Science Park vicinity in Singapore, offering further opportunities to enhance operational efficiency and economies of scale.

5. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition is expected to be funded through existing debt facilities. As a result, the aggregate leverage of A-REIT is expected to increase from 33.6% as at 31 December 2014 to approximately 34.5%.

Assuming A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2014 (based on 105 properties) and the Acquisition was funded using the optimal gearing level of 60% equity and 40% debt; the pro forma financial effect on A-REIT's distributable income per unit would be 0.063 cents.

6. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Manager (which comprises four independent directors of the Manager) is of the view that the Acquisition is on normal commercial terms and is not prejudicial to the interests of A-REIT and its minority Unitholders.

² Assuming A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2014 and assuming the Acquisition was funded based on a funding structure of 40% debt and 60% equity. In respect of the Property, the Manager elects to receive its base fee 80% in cash and 20% in units.

7. OTHER INTERESTED PERSON TRANSACTIONS

The current total interested person transactions (including the Acquisition) between A-REIT and APL and/or its associates (including JTC) for the current financial year is approximately S\$135.5 million (the “**Current Total**”) as at 28 February 2015 (being the latest practicable date prior to the date of this announcement). The aggregate of the Current Total and, Purchase Consideration would be less than 5% of A-REIT’s latest audited net tangible assets or net asset value. Hence, pursuant to Chapter 9 of the Listing Manual of the SGX-ST and the Property Funds Appendix, the Acquisition would not require unitholders’ approval.

8. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

Based on the Register of Directors’ Unitholdings maintained by the Manager, the Directors’ direct or deemed interests in the Units as at the date of this announcement are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	%
	No. of Units	%	No. of Units	%		
Mr Koh Soo Keong	-	-	-	-	-	-
Mr Khiatani Manohar Ramesh	-	-	-	-	-	-
Mr Henry Tan Song Kok	-	-	-	-	-	-
Mr Teo Eng Cheong	-	-	-	-	-	-
Mr Teo Choon Chye, Marc	25,000	0.001	-	-	25,000	0.001
Mr Chan Pengee Adrian	-	-	-	-	-	-
Mr Tan Ser Ping	-	-	-	-	-	-

As at the date of this announcement, none of the directors of the Manager is a director of SSPL. Mr Khiatani Manohar Ramesh, a non-executive Director of the Manager, is the President and Chief Executive Officer and also a director of APL and ALS.

As at the date of this announcement, ALS held a direct interest in 367,904,000 Units, which is equivalent to approximately 15.3% of the total number of Units in issue. The Manager held a direct interest in 46,457,538 Units, which is equivalent to approximately 1.93% of the total number of Units in issue. ALS and the Manager are both wholly-owned subsidiaries of APL. Accordingly, APL is deemed to be interested in the Units held by ALS and the Manager.

Save as disclosed herein and based on the information available to the Manager, none of the directors of the Manager and none of the controlling Unitholders of A-REIT have any interest, direct or indirect, in the Acquisition.

9. OTHER INFORMATION

9.1 Director’s Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

9.2 Documents for Inspection

A copy of the Sale and Purchase Agreement and the valuation reports of CB Richard Ellis (Pte) Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd are available for

inspection during normal business hours at the registered office of the Manager at 61 Science Park Road, #02-18 The GALEN, Singapore 117525, for a period of three months commencing from the date of this announcement³.

BY ORDER OF THE BOARD
ASCENDAS FUNDS MANAGEMENT (S) LIMITED
(Company Registration No. 200201987K)
(as manager of Ascendas Real Estate Investment Trust)

Mary Judith De Souza
Company Secretary
30 March 2015

³ Prior appointment with the Manager is appreciated.

Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.